

Red Emperor Resources NL

(to be renamed Future Metals NL)

ACN 124 734 961

Supplementary Prospectus

Important Information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 18 May 2021 (**Prospectus**) issued by Red Emperor Resources NL (ACN 124 734 961) (**Company**).

This Supplementary Prospectus is dated 28 May 2021 and was lodged with the ASIC on that date. The ASIC, the ASX, and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

1. Purpose of this document

This Supplementary Prospectus has been prepared to:

- (a) advise investors that the Closing Date of the Offers has been extended until 4 June 2021;
- (b) provide additional information to investors in relation to the matters set out in Section 3 of this Supplementary Prospectus; and
- (c) amend the Performance Rights Offer to a total of 22,000,000 Performance Rights.

2. Extension of Closing Date

The Closing Date of the Offers is extended to 4 June 2021.

As at the date of this Supplementary Prospectus, there are no other changes to the dates of Key Events noted in the Indicative Timetable in the Prospectus.

3. Additional information

3.1 GNP consolidated financial information

In conducting the audit of GNP, the auditor assessed the accounting treatment in respect of the Panton Sill Pty Ltd acquisition adopted by GNP against the requirements of AASB 3, specifically the requirements of paragraphs B7 to B12. It was concluded that based on this assessment that the transaction was an asset acquisition and met the requirements of AASB 6 to be recognised as an exploration asset. This is consistent with the requirements of ASIC Regulatory Guide 228, paragraph 96. The tests that were not met relate to the process and output tests.

This results in the following occurring from a financial reporting point of view:

- (a) The agreement pursuant to which GNP acquired its interest in Panton Sill Pty Ltd reflects that GNP has acquired 80% of Panton Sill Pty Ltd for \$12,000,000 consideration and GNP has an option to acquire the remaining 20% of Panton Sill Pty Ltd for \$3,000,000.
- (b) GNP is deemed to be the acquirer in the transaction and will consolidate Panton Sill Pty Ltd as of the acquisition date.
- (c) As Panton Sill Pty Ltd did not have operations that would meet the definition of a business under accounting standards, the transaction is accounted for as an asset acquisition.
- (d) At the acquisition date, the net assets of Panton Sill Pty Ltd are recognised at fair value. As Panton Sill Pty Ltd did not have operations, the only asset that is brought to account is an exploration asset.
- (e) The result of the transaction is that the exploration asset that is recognised equates to \$15,000,000 (reflecting the gross up of \$12,000,000 consideration for 80%). This reflects the fair value of consideration paid.

The historical financial statements of Panton Sill Pty Ltd are not reflected in the consolidated accounts of GNP due to the requirement to recognise Panton Sill Pty Ltd at fair value at acquisition.

3.2 Escrow

The expected position of the escrow arrangements imposed by ASX in accordance with the ASX Listing Rules is set out in Section 1.10 of the Prospectus.

Of the 17,500,000 shares issued by GNP, 12,500,000 of those were issued at \$1.00 per share to participants in GNP's capital raising conducted in December 2020 to fund its acquisition of an 80% interest in Panton Sill Pty Ltd. The remaining 5,000,000 shares issued by GNP have been issued at a nominal issue price to founders of GNP or in consideration for promoter services to GNP.

Shares issued to Vendors in consideration for participation in the GNP capital raising are not expected to be subject to escrow as those Vendors paid an effective price per Share equal to the issue price under the Public Offer and applying cash formula relief

Those Vendors that participated in the GNP capital raising paid an effective price per Share equal to the issue price under the Public Offer (as 10 Shares are to be issued in consideration for each GNP share) and after applying cash formula relief it is expected that ASX will not impose escrow on those Shares. The remaining 50,000,000 Shares to be issued to Vendors are expected to be escrowed for 24 months from the date of reinstatement to official quotation on ASX.

It is expected that all Vendor Options will be subject to escrow in accordance with the ASX Listing Rules with the period of escrow being either 24 months from the date of reinstatement to official quotation on ASX for those Vendor Options issued to Vendors who are founders of GNP or have been issued shares in GNP in consideration for promoter services provided to GNP and 12 months from the date of issue of the Vendor Options for all other GNP shareholders.

3.3 AIM readmission

The Company considers that the cancellation of the admission to trading of the Company's ordinary shares on AIM and then seeking readmission to trading on AIM for the enlarged entity following completion of the Acquisition, Public Offer and reinstatement to official quotation on ASX is in the best interests of the Company as delisting from AIM gives the Company the best opportunity to complete its reinstatement to official quotation on ASX by the target of mid June. This timeframe would not have been possible if running the ASX and AIM processes concurrently due to differences between the requirements of the ASX Listing Rules and the AIM Rules for Companies and the general chronology, processes and requirements of the two stock exchanges.

The Company notes that the costs of a readmission or a new listing on AIM are materially the same.

The Board considers a dual listing on AIM is beneficial as the Company has built a very strong profile in the UK evidenced by stronger trading volume from the UK market and there is also a lack of PGM focused companies listed on AIM so the Board considers an AIM listing as beneficial in continuing to promote the Company and in particular the Panton PGM Project.

3.4 Barclay Wells

As referenced in the Prospectus, Barclay Wells has acted as corporate advisor to RMP with respect to the Acquisition. The Company notes Barclay Wells is also the registered holder of 100,000 shares in GNP which it subscribed for at \$1.00 per share (an effective issue price of Shares of \$0.10 being the same issue price as the Public Offer), representing ~0.5% of GNP.

The Company does not consider this to be a conflict of interest given it represents a relatively small holding in GNP. In addition, Barclay Wells provided limited due diligence advice to the Company focusing only on general market advice related to the asset as opposed to due diligence on the specific asset itself and the Company did not solely rely on the advice of Barclay Wells as it obtained corporate and financial advice in relation to the acquisition of GNP and its mining assets from other advisors.

3.5 Performance Rights Offer

The quantity of Performance Rights being offered under the Performance Rights Offer is reduced to 22,000,000 as the Company is no longer proceeding with the proposed issue to the consultant to the Company.

3.6 Independent Limited Assurance Report

A replacement Independent Limited Assurance Report has been included at Annexure 1 to this Supplementary Prospectus which incorporates the following updated disclosure:

- (a) adjustments to reflect the reduction in the quantity of Performance Rights to be issued under the Performance Rights Offer;
- (b) clarification that the accounts of GNP are audited (as opposed to reviewed) and are consolidated with the results of Panton Sill Pty Ltd; and
- (c) including additional disclosure explaining the material balance items in the accounts of GNP relating to deferred exploration and evaluation expenditure, trade and other payables and borrowings.

4. Consents

BDO Corporate Finance (WA) Pty Ltd has prepared the replacement Independent Limited Assurance Report which is included as Annexure 1 to this Supplementary Prospectus. BDO Corporate Finance (WA) Pty Ltd has given, and has not before lodgement of this Supplementary Prospectus with ASIC withdrawn, its written consent to the inclusion of the Independent Limited Assurance Report at Annexure 1 in the form and context in which it is included.

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

5. Directors' authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director and Proposed Director has consented to the lodgement of this Supplementary Prospectus with ASIC and the issue of this Supplementary Prospectus, and has not withdrawn that consent.

Annexure 1 – Independent Limited Assurance Report



**RED EMPEROR RESOURCES NL
(TO BE RENAMED FUTURE METALS NL)**
Independent Limited Assurance Report

28 May 2021

28 May 2021

The Directors
Red Emperor Resources NL
1/35 Richardson Street
West Perth WA 6005

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by Red Emperor Resources NL (**'Red Emperor'** or **'the Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information of Red Emperor and Great Northern Palladium Pty Ltd (**'GNP'**), for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 100,000,000 Shares at an issue price of \$0.10 each to raise up to \$10 million before costs (**'the Offer'**). The Offer is subject to a minimum subscription level of 100,000,000 shares to raise \$10 million.

As announced on the Australian Securities Exchange (**'ASX'**) on 25 March 2021, the Company has entered into a Heads of Agreement (**'Acquisition Agreement'**) with the major shareholders of GNP to acquire 100% of the issued share capital of GNP (**'the Acquisition'**).

Under the terms of the Acquisition, consideration for 100% of the issued capital in GNP will be in the form of 175,000,000 fully paid ordinary shares (**'Consideration Shares'**) and 87,500,000 unquoted options with an exercise price of \$0.10 and a three year expiry date (**'Vendor Options'**). The Consideration Shares and Vendor Options are collectively referred to as the **'Consideration Securities'**. The offer of the Consideration Securities is referred to as the **'Consideration Offer'**.

Red Emperor also intends to offer 22,000,000 performance rights to Directors and Proposed Directors (or their nominees) (**'Performance Rights'**) (**'Performance Rights Offer'**). The terms of the Performance Rights are detailed in section 6.3 of the Prospectus.

Expressions defined in the Prospectus have the same meaning in this Report. BDO holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide (**'FSG'**) has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the **'Historical Financial Information'**) of Red Emperor and GNP included in the Prospectus:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cashflows for Red Emperor for the years ended 30 June 2020 and 30 June 2019;
- the reviewed historical Statements of Profit or Loss and Other Comprehensive Income and Statement of Cashflows for Red Emperor for the half years ended 31 December 2020 and 31 December 2019;
- the reviewed historical Statement of Financial Position for Red Emperor as at 31 December 2020;
- the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cashflows for GNP for the period from incorporation to 31 December 2020; and
- the audited historical Statement of Financial Position for GNP as at 31 December 2020.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

The Historical Financial Information of Red Emperor has been extracted from the financial report of Red Emperor for the half years ended 31 December 2020 and 31 December 2019 and the years ended 30 June 2020 and 30 June 2019. The financial reports for the half years ended 31 December 2020 and 31 December 2019 were reviewed by BDO Audit (WA) Pty Ltd (**'BDO Audit'**) in accordance with the review provisions of Australian Auditing Standards. BDO Audit issued an unmodified review opinion on the financial reports. The financial reports for the years ended 30 June 2020 and 30 June 2019 were audited by BDO Audit in accordance with Australian Auditing Standards. BDO Audit issued an unmodified audit opinion on the financial reports.

The Historical Financial Information of GNP has been extracted from the financial report of GNP for the period from incorporation to 31 December 2020. The financial report for the period from incorporation to 31 December 2020 was audited by BDO Audit in accordance with Australian Auditing Standards. BDO Audit included an emphasis of matter relating to the material uncertainty related to going concern. However, the audit opinion was not modified in respect of this matter.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the **'Pro Forma Historical Financial Information'**) of Red Emperor included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 31 December 2020.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Red Emperor and GNP, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Red Emperor to illustrate the impact of the event or transaction described in Section 6 and Section 7 of the Report on Red Emperor's financial position as at 31 December 2020. As part of this process, information about Red Emperor's financial position has been extracted by Red Emperor from Red Emperor's financial statements for the half year ended 31 December 2020.

3. Directors' responsibility

The directors of Red Emperor are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cashflows for the years ended 30 June 2019 and 30 June 2020 for Red Emperor;
- the reviewed historical Statements of Profit or Loss and Other Comprehensive Income and Statement of Cashflows for the half year ended 31 December 2020 (and comparatives for the half-year ended 31 December 2019) for Red Emperor;
- the reviewed historical Statement of Financial Position as at 31 December 2020 for Red Emperor;
- the audited historical Statement of Profit or Loss and Other Comprehensive Income of GNP and Statement of Cashflows for the period from incorporation to 31 December 2020; and
- the audited historical Statement of Financial Position of GNP as at 31 December 2020,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of Red Emperor as at 31 December 2020,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma statement of financial position reflects the following event that has occurred subsequent to the period ended 31 December 2020:

- On 29 March 2021, GNP received an interest free loan of \$50,000 from one of its Directors. The loan is repayable on demand.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Red Emperor not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 1. This has been prepared based on the financial statements as at 31 December 2020, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- Pursuant to the Acquisition Agreement, the Company will consolidate its securities and options on a 14 to 100 basis. The total number of shares and options pre-consolidation were 525,292,776 and 6,000,000 respectively. The total number of shares and options post consolidation are 73,540,988 and 840,000 respectively;
- Cash costs of the Offer are estimated to be \$1,077,834. The costs directly attributable to the capital raising are 83.5% of the cash costs of the Offer. Those costs, comprising lead manager fees and other apportioned expenses of the Offer, which are directly attributable to the capital raising are offset against contributed equity, with the remaining costs of the Offer expensed through accumulated losses;
- The issue of 100,000,000 Shares at an offer price of \$0.10 each to raise \$10 million before costs pursuant to the Prospectus;
- The issue of 175,000,000 Consideration Shares to the shareholders of GNP for the sale of their GNP shares;
- The issue of 87,500,000 Vendor Options, to the option holders of GNP. The Vendor Options have been valued using the Black Scholes option pricing model at \$5,337,500, which is included in the value of the consideration paid for the Acquisition (refer acquisition accounting note);
- The proposed issue of 22,000,000 Performance Rights to the Directors and Proposed Directors, subject to their appointment to the board. The Performance Rights will vest in three equal tranches, subject to the applicable vesting condition relating to the volume weighted average price of fully paid ordinary shares in Red Emperor being achieved. The Performance Rights have been valued at \$1,789,333 using a trinomial barrier up and in option pricing model; and
- A cash payment of \$3,000,000 to acquire the remaining 20% of the shares in Panton Sill Pty Ltd ('Panton'). GNP currently holds 80% of the issued share capital of Panton, which holds the granted mining leases that cover the Panton PGM Project ('PGM Project').

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed re-listing other than in connection with the preparation of this Report, for which professional fees will be received. BDO Audit is the auditor of Red Emperor and GNP, for which normal professional fees are received.

9. Disclosures

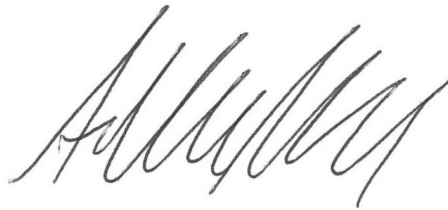
This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Adam Myers', written in a cursive style.

Adam Myers
Director

APPENDIX 1
RED EMPEROR

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Red Emperor	GNP			Pro-forma
		Reviewed for the half-year ended	Audited for the period ended	Pro-forma Adjustments	Subsequent Event Adjustments	after Offers
	Note	31-Dec-20 \$	31-Dec-20 \$	\$	\$	31-Dec-20 \$
Current Assets						
Cash and cash equivalents	2	4,225,863	700,659	5,922,166	50,000	10,898,688
Trade and other receivables		26,626	1	-	-	26,627
Total Current Assets		4,252,489	700,660	5,922,166	50,000	10,925,315
Non-Current Assets						
Right of use assets		118,718	-	-	-	118,718
Deferred exploration and evaluation expenditure	3	-	15,610,000	-	-	15,610,000
Total Non-Current Assets		118,718	15,610,000	-	-	15,728,718
Total Assets		4,371,207	16,310,660	5,922,166	50,000	26,654,033
Current Liabilities						
Trade and other payables	4	39,601	894,191	-	-	933,792
Lease liabilities		70,620	-	-	-	70,620
Borrowings	5	-	-	-	50,000	50,000
Total Current Liabilities		110,221	894,191	-	50,000	1,054,412
Non-Current Liabilities						
Lease liabilities		49,075	-	-	-	49,075
Total Non-Current Liabilities		49,075	-	-	-	49,075
Total Liabilities		159,296	894,191	-	50,000	1,103,487
Net Assets		4,211,911	15,416,469	5,922,166	-	25,550,546
Equity						
Issued capital	6	61,811,451	12,500,410	(45,357,447)	-	28,954,414
Reserves	7	5,270,653	-	(3,481,320)	-	1,789,333
Accumulated losses	8	(62,870,193)	(83,941)	57,760,933	-	(5,193,201)
Capital and Reserves Attributable to Owners of the parent entity		4,211,911	12,416,469	8,922,166	-	25,550,546
Non-controlling interest	9	-	3,000,000	(3,000,000)	-	-
Total Equity		4,211,911	15,416,469	5,922,166	-	25,550,546

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 2 and the prior year financial information set out in Appendices 3 through 6.

APPENDIX 2
RED EMPEROR

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

b) Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

c) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

d) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Red Emperor at the end of the reporting period. A controlled entity is any entity over which Red Emperor has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and statement of financial performance. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of financial performance. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the statement of financial performance unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of financial performance.

e) Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

f) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

g) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

h) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

j) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

m) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore the area are recognised in the statement of financial performance.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- I. The expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- II. Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, and accumulated costs in respect of that area are written off in the financial period the decision is made.

n) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

o) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of

new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

p) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

q) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant

employees become fully entitled to the award (“vesting date”). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

r) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Determination of fair values on exploration and evaluation assets acquired in business combinations

On initial recognition, the assets and liabilities of the acquired business are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

	Reviewed for the half year ended 31-Dec-20	Pro-forma after Offer
NOTE 2. CASH AND CASH EQUIVALENTS	\$	\$
Cash and cash equivalents	4,225,863	10,898,688
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Red Emperor as at 31 December 2020		4,225,863
Audited balance of GNP as at 31 December 2020		700,659
		4,926,522
<i>Subsequent events:</i>		
Interest free loan from GNP Director (Eddie King)		50,000
		50,000
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued under this Prospectus		10,000,000
Capital raising costs		(1,077,834)
Payment to acquire remaining 20% of Panton Sill Pty Ltd		(3,000,000)
		5,912,666
Pro-forma Balance		10,898,688

	Reviewed for the half year ended 31-Dec-20	Pro-forma after Offer
NOTE 3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE	\$	\$
Deferred exploration and evaluation expenditure	-	15,610,000
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of GNP as at 31 December 2020		15,610,000
Pro-forma Balance		15,610,000

NOTE 4: TRADE AND OTHER PAYABLES

The balance of GNP's trade and other payables of \$894,191 as at 31 December 2020 is made up of \$610,000 for the estimated stamp duty payable on the acquisition of Panton Sill, consideration payable of \$200,000 (paid on 11 Feb 2021) and \$84,191 for other accrued expenses such as legal fees, audit fees and director fees.

	Reviewed for the half year ended 31-Dec-20	Pro-forma after Offer
NOTE 5. BORROWINGS	\$	\$
Borrowings	-	50,000
<i>Subsequent events:</i>		
Interest free loan from GNP Director (Eddie King)		50,000
		50,000
Pro-forma Balance		50,000

The loan from GNP Director Eddie King was to cover any potential cash shortfall while the Company completed the capital raising. Management advise the loan will be repaid from the next Business Activity Statement refund. .

	Reviewed for the half year ended 31-Dec-20	Pro-forma after Offer
NOTE 6. ISSUED CAPITAL	\$	\$
Issued capital	61,811,451	28,954,414
<i>Adjustments to arise at the pro-forma balance:</i>		
	Number of shares	\$
Red Emperor issued share capital as at 31 December 2020	525,292,776	61,811,451
GNP issued share capital as at 31 December 2020		12,500,410
<i>Pro-forma adjustments:</i>		
Completion of the share consolidation at 14:100	(451,751,788)	-
Fully paid ordinary shares issued at \$0.10 pursuant to the Prospectus	100,000,000	10,000,000
Consideration shares issued at \$0.10 as part of the Acquisition	175,000,000	7,354,099
Cash costs of the Offer deducted from equity	-	(900,095)
Elimination of Red Emperor's issued capital on acquisition	-	(61,811,451)
Pro-forma Balance	348,540,988	28,954,414

	Reviewed for the half year ended 31-Dec-20	Pro-forma after Offer
NOTE 7. RESERVES	\$	\$
Reserves	5,270,653	1,789,333
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Red Emperor as at 31 December 2020		5,270,653
		<u>5,270,653</u>
<i>Pro-forma adjustments:</i>		
Performance Rights to be issued		1,789,333
Elimination of Red Emperor's reserves on acquisition		(5,270,653)
		<u>(3,481,320)</u>
Pro-forma Balance		<u>1,789,333</u>

	Reviewed for the half year ended 31-Dec-20	Pro-forma after Offer
NOTE 8. ACCUMULATED LOSSES	\$	\$
Accumulated losses	(62,870,193)	(5,193,201)
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Red Emperor as at 31 December 2020		(62,870,193)
Audited balance of GNP as at 31 December 2020		(83,941)
		<u>(62,954,134)</u>
<i>Pro-forma adjustments:</i>		
Elimination of Red Emperor's accumulated losses upon acquisition		62,870,193
Performance rights to be issued		(1,789,333)
Costs of the Offer not directly attributable to the capital raising		(177,739)
ASX listing expense on acquisition		(3,142,188)
		<u>57,760,933</u>
Pro-forma Balance		<u>(5,193,201)</u>

	Reviewed for the half year ended 31-Dec-20	Pro-forma after Offer
NOTE 9. NON-CONTROLLING INTEREST	\$	\$
Non-controlling interest	3,000,000	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of GNP as at 31 December 2020		3,000,000
		<u>3,000,000</u>
<i>Pro-forma adjustments:</i>		
Acquisition of remaining 20% of Panton Sill Pty Ltd		(3,000,000)
		<u>(3,000,000)</u>
Pro-forma Balance		<u><u>-</u></u>

NOTE 10: ASSET ACQUISITION

A summary of the acquisition details with respect to the proposed acquisition of Red Emperor as included in our report is set out below. These details have been determined for the purposes of the pro-forma adjustments as at 31 December 2020, however will require re-determination as at the successful acquisition date which may result in changes to the values set out below.

Details of the net assets acquired, purchase consideration and notional fair value attributable to exploration assets are as follows:

PROVISIONAL ACCOUNTING FOR THE ACQUISITION		\$
Net assets acquired:		
Cash and cash equivalents of Red Emperor prior to the Acquisition		4,225,863
Trade and other receivables		26,626
Right of use assets		118,718
Trade and other payables		(39,601)
Lease liabilities		(119,695)
Adjusted net assets of Red Emperor acquired		<u>4,211,911</u>
Fair value of Consideration		7,354,099
Total net assets acquired on Acquisition		<u>4,211,911</u>
Amount recognised as ASX listing expense upon Acquisition		<u>3,142,188</u>

NOTE 11: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 12: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

**APPENDIX 3
RED EMPEROR**

HISTORICAL STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-20 \$	Audited for the year ended 30-Jun-20 \$	Reviewed for the half year ended 31-Dec-19 \$
Continuing Operations			
Interest received	12,520	26,768	13,412
Other income	40,009	14,469	-
Sale of subsidiary - Georgian Oil Pty Ltd	-	-	-
Employee and director benefits expense	(124,645)	(251,681)	(136,706)
Professional and consultants	(112,376)	(277,502)	(114,124)
ASX and AIM and share registry fees	(68,115)	(173,580)	(86,550)
Travel expenditure	(4,801)	(14,678)	(7,493)
Exploration expenditure written off	(12,588)	(249,595)	(93,999)
Amortisation/depreciation expense	(23,744)	-	-
Realised gain on investment	-	-	-
Share based payment expense	-	-	-
Unrealised foreign exchange (loss)/gain	(9,859)	3,396	1,154
Other expenses	(62,280)	(114,610)	(73,710)
Loss before income tax	(365,879)	(1,037,013)	(498,016)
Income tax expense	-	-	-
Loss after income tax	(365,879)	(1,037,013)	(498,016)
Other comprehensive income	-	265	54
Total comprehensive loss for the period	(365,879)	(1,036,748)	(497,962)

APPENDIX 4

RED EMPEROR

HISTORICAL STATEMENTS OF CASH FLOWS

Statement of Cash Flows	Reviewed for the half year ended 31-Dec-20 \$	Audited for the year ended 30-Jun-20 \$	Reviewed for the half year ended 31-Dec-19 \$
Cash flows from operating activities			
Payments to suppliers and employees	(417,088)	(831,833)	(457,045)
Interest received	12,520	26,768	13,412
Other receipts	40,009	14,469	
Net cash (outflow) from operating activities	(364,559)	(790,596)	(443,633)
Cash Flows From Investing Activities			
Payment for exploration and evaluation	(12,588)	(249,595)	(93,999)
Payment of performance bond	-	-	-
Refund of performance bond	-	-	-
Proceeds from sale of subsidiary - Georgian Oil Pty Ltd	-	-	-
Net cash (outflow) from investing activities	(12,588)	(249,595)	(93,999)
Cash Flows From Financing Activities			
Proceeds from issue of shares	-	-	-
Proceeds from issue of options	-	-	-
Payments for share issue costs	-	-	-
Net cash inflow from financing activities	-	-	-
Net (decrease) in cash and cash equivalents held	(377,147)	(1,040,191)	(537,632)
Cash and cash equivalents at the beginning of the year	4,603,010	5,642,936	5,642,936
Effects of exchange rate changes on cash and cash equivalents	-	265	53
Cash and cash equivalents at the end of the year	4,225,863	4,603,010	5,105,357

APPENDIX 5

GNP

HISTORICAL STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income	Audited for the period ended 31-Dec-20
	\$
Interest Income	261
Expenses	
Audit fee	(7,500)
Company secretarial and accounting fees	(2,531)
Consulting fees	(4,675)
Director fees	(2,129)
Legal fees	(67,356)
Subscription	(11)
Loss before income tax	(83,941)
Income tax expense	-
Loss after income tax	(83,941)
Other comprehensive income	-
Total comprehensive loss for the period	(83,941)

APPENDIX 6
GNP
HISTORICAL STATEMENTS OF CASH FLOWS

Statement of Cash Flows	Audited for the period ended 31-Dec-20 \$
Cash flows from operating activities:	
Payments to suppliers and employees (incl. GST)	(12)
Interest received	261
Net cash flows generated from operating activities	249
Cash flows from investing activities:	
Payment to acquire tenements	(11,800,000)
Net cash flows used in investing activities	(11,800,000)
Cash flows from financing activities:	
Proceeds from issue of shares	12,500,410
Net cash flows generated from financing activities	12,500,410
Net increase in cash and cash equivalents	700,659
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	700,659

APPENDIX 7

FINANCIAL SERVICES GUIDE

28 May 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Red Emperor Resources NL ('the Company') to provide an Independent Limited Assurance Report ('ILAR' 'our Report/s') for inclusion in this Prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail Red Emperor, a Financial Services Guide ('FSG'). This FSG is designed to help retail Red Emperors make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale Red Emperors.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the Red Emperor who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$20,000 (exclusive of GST).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from the Company for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, 38 Station Street, Subiaco, Perth WA 6008.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA'). AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

Contact details

You may contact us using the details set out on page 1 of our Report.